

Green Mountain Secure Retirement Plan Highlights

Act 69 of the 2017 Legislative Session (S.135, Section C.1.)

- **Sec. C.1. of Act 69** (*signed by the Governor on 6/8/17*) contains the enabling language for the “**Green Mountain Secure Retirement Plan**” (see the links in the footnote for the bill as enacted and a timeline of the bill’s discussion in the Legislature)¹
- The bill was drafted based on recommendations included in the Public Retirement Study Committee Legislative report submitted in January 2017, the letter for this report is attached, and the full report is linked here: [2016 Report](#).
- The Public Retirement Study Committee report submitted in January is a part of a 3-year study that the Retirement Committee has been working on since the fall of 2014 (It is the third report to have been submitted by the Committee)

Green Mountain Secure Retirement Plan key information:

- The State intends to implement a voluntary Multiple Employer Plan (MEP) no later than January 15, 2019
- The plan will be voluntary for employers
- Once an employer opts-in, employees are auto-enrolled with the option to opt-out
- The plan is intended to be available to employers that do not currently offer a retirement plan to their employees
- The plan is intended to be available to self-employed individuals
- Employers with 50 employees or less are eligible
- The plan will be funded by employee contributions with an intention for future voluntary employer contributions
- A successor board shall oversee the plan

¹ Act 69, Language as Enacted starts on page 24:

<http://legislature.vermont.gov/assets/Documents/2018/Docs/ACTS/ACT069/ACT069%20As%20Enacted.pdf>

Timeline of the bill’s discussion in the Legislature: <http://legislature.vermont.gov/bill/status/2018/S.135>

Guiding Principles of the Green Mountain Secure Retirement Plan:

- A. **Simplicity**—a plan should be easy for participants to understand
- B. **Affordable**—a plan should be administered to maximize cost-effectiveness and efficiency
- C. **Ease of Access**—the plan should be easy to join
- D. **Trustworthy Oversight**—the plan should be administered by an organization with unimpeachable credentials
- E. **Protection from Exploitation**—the plan should protect its participants, particularly the elderly, from unscrupulous business practices or individuals
- F. **Portability**—the plan should not depend upon employment with a specific firm or organization
- G. **Choice**—the plan should provide sufficient investment alternatives to be suitable for individuals with distinct goals, but not too many options to induce “analysis paralysis”
- H. **Voluntary**—the plan should not be mandatory; however, auto-enrollment may increase participation
- I. **Financial Education and Financial Literacy**—the plan should assist the individual in understanding their financial situation
- J. **Sufficient Savings**—encourage adequate savings in retirement combined with existing pension savings and social security
- K. **Additive not Duplicative**—the plan should not compete with existing private sector solutions
- L. **Able to use pre-tax dollars**